Investor Presentation

CLARIANT CHEMICALS (INDIA) LTD.

CLARIANT

December 2016

what is precious to you?

Disclaimer

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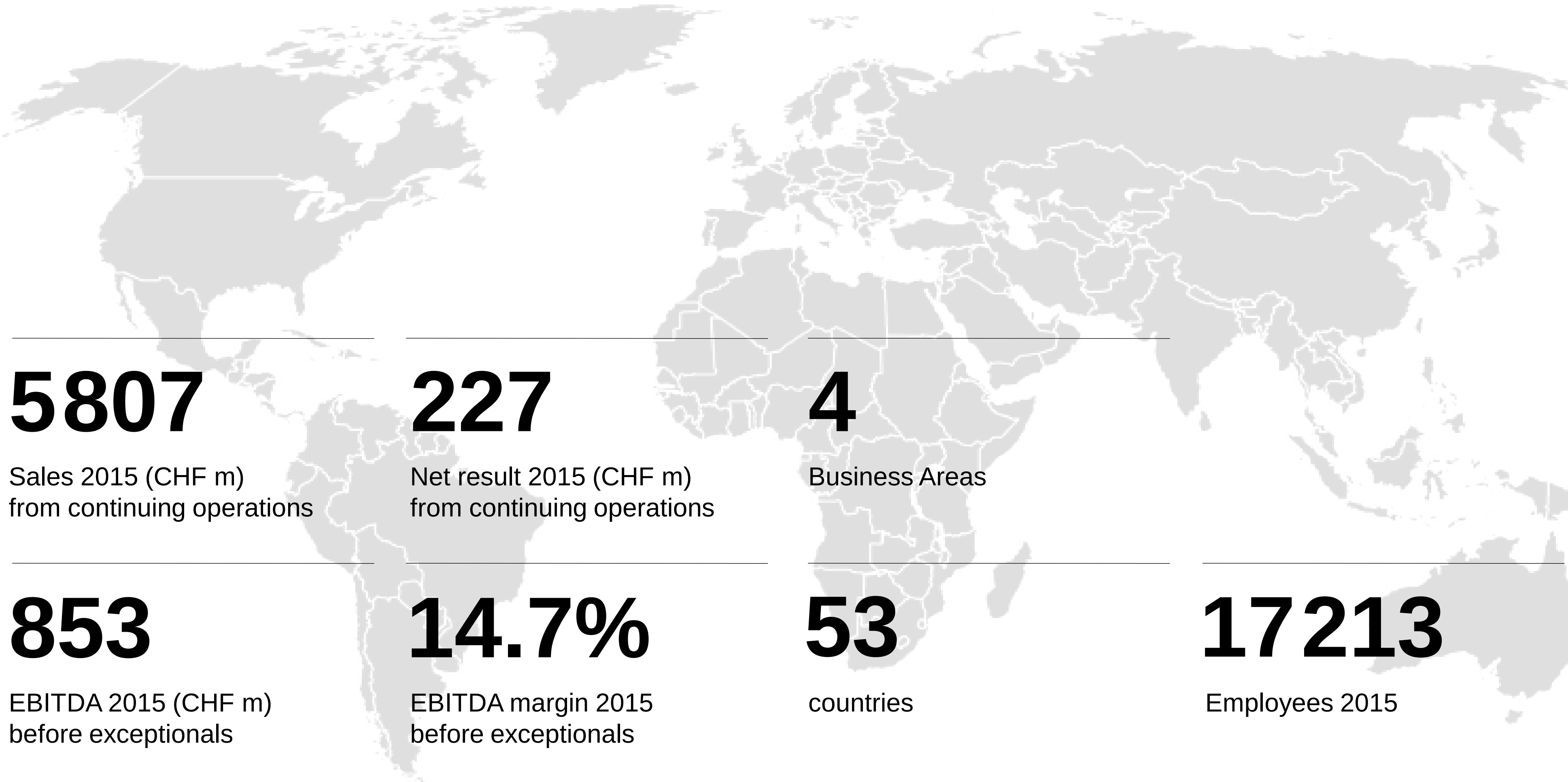
Clariant Group at a Glance

CLARIANT

A Globally Leading Company in Specialty Chemicals



5807

Sales 2015 (CHF m)
from continuing operations

227

Net result 2015 (CHF m)
from continuing operations

4

Business Areas

853

EBITDA 2015 (CHF m)
before exceptionals

14.7%

EBITDA margin 2015
before exceptionals

53

countries

17213

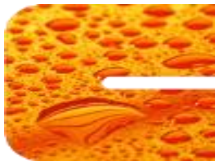
Employees 2015

We are a Leading Company in Specialty Chemicals

CLARIANT

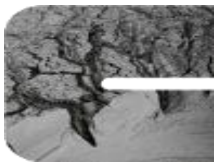
Sales by Business Area and in % of Group
in CHF m, Total 2015: 5 807

PLASTICS & COATINGS
2441
(42%)

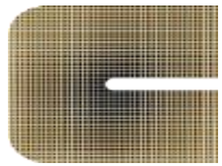


CARE CHEMICALS
1445
(25%)

NATURAL RESOURCES
1217
(21%)



CATALYSIS & ENERGY
704
(12%)



Truly Global Presence

- **Headquartered in Switzerland**
- **Group Sales 2015:**
  Developed Markets: 51% of total sales
  Emerging Markets: 49% of total sales
- **Global Innovation Network:**
  8 R&D centres across North America, Europe and Asia/Pacific

Innovation Figures

1100
People in R&D (end of 2015)

3.5%
of Group sales 2015 spent in R&D

8
Global R&D Centers

> 50
Technical Application Centers

204 m
of R&D expenditures in CHF

> 7000
Patents

> 130
Scientific collaborations

Sales and Sales Distribution by Region
in CHF m, total 2015: 5 807

NORTH AMERICA
1078 (18%)

EUROPE
1930 (33%)

ASIA/PACIFIC
1373 (24%)

LATIN AMERICA
1021 (18%)

MIDDLE EAST & AFRICA
405 (7%)

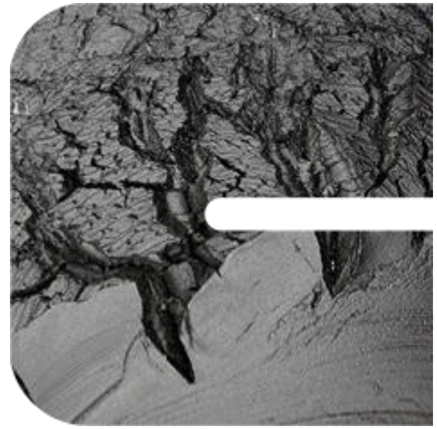
Clariant's Products and Services are Grouped into Four Business Areas

Plastics & Coatings

BA Plastics & Coatings comprises the BUs Additives, Pigments and Masterbatches. The BA has a large exposure to Europe and, as such, is subject to lower growth and to economic cycles. Main drivers are the increasing use of plastics with tailor-made properties in applications such as mobile phones, cars, construction, as well as the rising consumption of plastics in line with increased wealth.

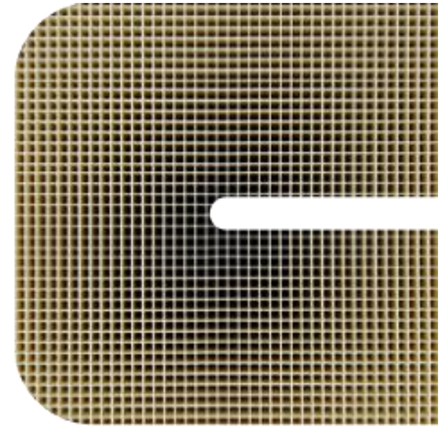
Care Chemicals

Business Area (BA) Care Chemicals comprises the Industrial & Consumer Specialties (ICS) Business Unit, food additives as well as the future Industrial Biotechnology business. It demonstrates a clear focus on highly attractive, high margin, and low cyclicality segments. The BA follows a lifestyle-driven megatrend and strengthens Clariant's image of being a supplier of green and sustainable products.



Natural Resources

BA Natural Resources, comprising BUs Oil & Mining Services and Functional Minerals, is characterized by high growth and low cyclicality as well as strong megatrend orientation. Main drivers are the rising demand for high-value added specialty chemicals used in the oil, mining, food and packaging industries, and increased consumption of oil, gas and base metals, driven by the fast-growing economies.



Catalysis

Business Area Catalysis develops, manufactures, and sells a wide range of catalyst products for the chemical and fuel industries. The BA is the smallest within Clariant but is highly profitable with high growth rates and low cyclicality.

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History of Clariant in India

- **1947** – Sandoz Products Ltd began operations in India
- **1996** – Name of Sandoz (India) Ltd changed to Clariant (India) Ltd
- **1997** – Acquisition of Hoechst Specialty Chemicals
- **2001** – Manufacturing of Masterbatches at Kolshet
- **2006** – **New legal entity C**lariant Chemicals (India) Ltd was formed pursuant to amalgamation of Clariant (India) Ltd., Vanavil Dyes and Chemicals Ltd., BTP India Pvt. Ltd. and Kundalika investments Ltd. with Color-Chem Ltd.

  Divestment of Pharmaceutical Fine Chemicals
- **2011** – Acquisition of Süd-Chemie Acquisition of Italtinto S.r.l.
- **2013** – Acquisition of Plastichemix Industries

  Divestment of 3 major Business Units – Textile, Paper and Emulsion

  New Management Team Joined
- **2014** – New HQ in India

  Regional Innovation Center – India

  Divestment of Leather business

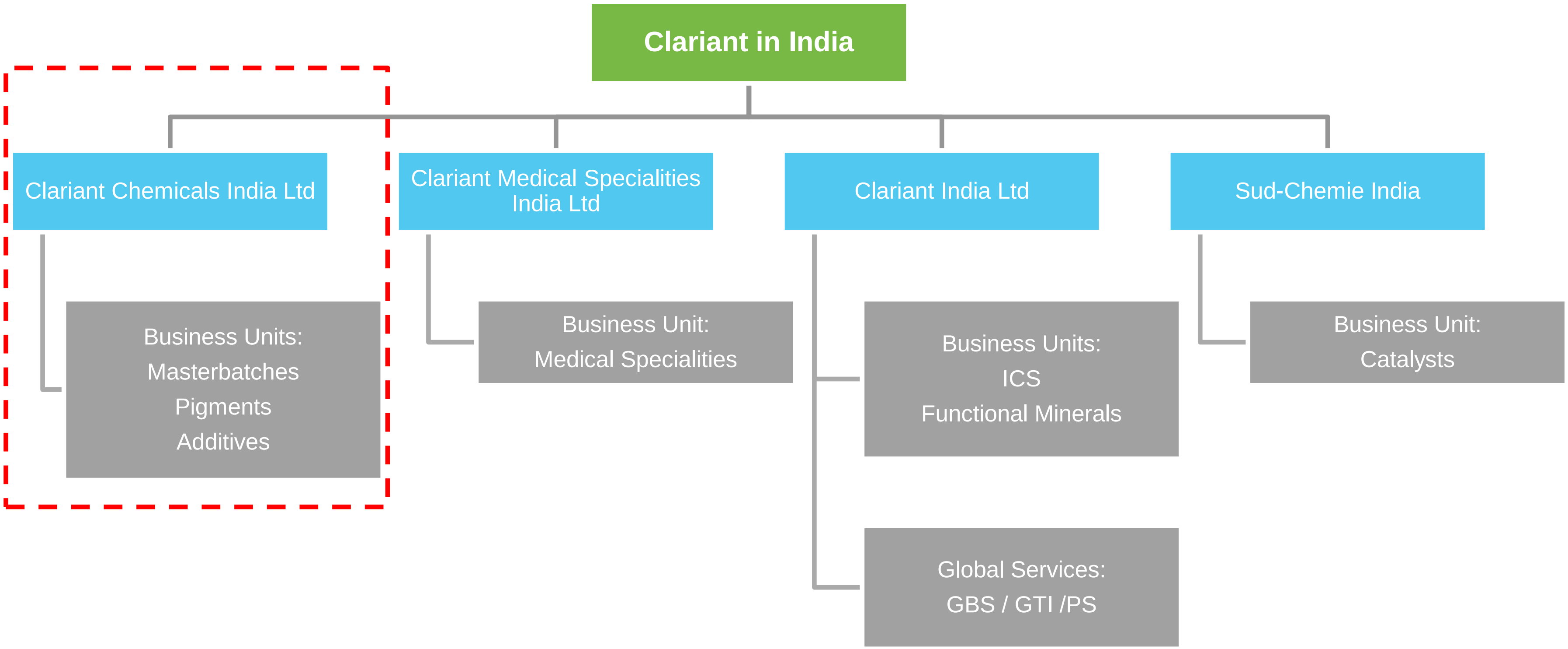
  Lanxess Black Pigments acquisition

  Vivimed Acquisition

The Journey Continues

Nearly 70 Years of Existence in India and Contribution to the Indian Growth Story

Structure: Clariant in India



Company Name	Structure	Group Holding	Other Holding
Clariant Chemicals (India) Ltd.	Public / Listed	64.24%	35.76% (37,000+ shareholders)
Clariant Medical Specialties India Limited	Public / Unlisted	100%	0%
Clariant India Ltd.	Public / Unlisted	100%	0%
Sud-Chemie India Pvt. Ltd.	Private/JV	50%	50% (family shareholders)

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Overview

CLARIANT

- Originally incorporated as Color-Chem Ltd in December 1956
- In 2006, Clariant Chemicals (India) Ltd (“CCIL”) was formed pursuant to the amalgamation of Clariant (India) Ltd., Vanavil Dyes and Chemicals Ltd., BTP India Pvt. Ltd. and Kundalika investments Ltd. With Color-Chem Ltd.

1 Footprint India Region

- International standard manufacturing facilities in Maharashtra, Tamil Nadu, Gujarat and Madhya Pradesh

2 Market Opportunity

- CCIL's products are offered for various sectors, such as petrochemicals, agrochemicals, agriculture, dyes and pigments, paints, masterbatches, construction chemicals, polymers and home and personal care

3 Business Units

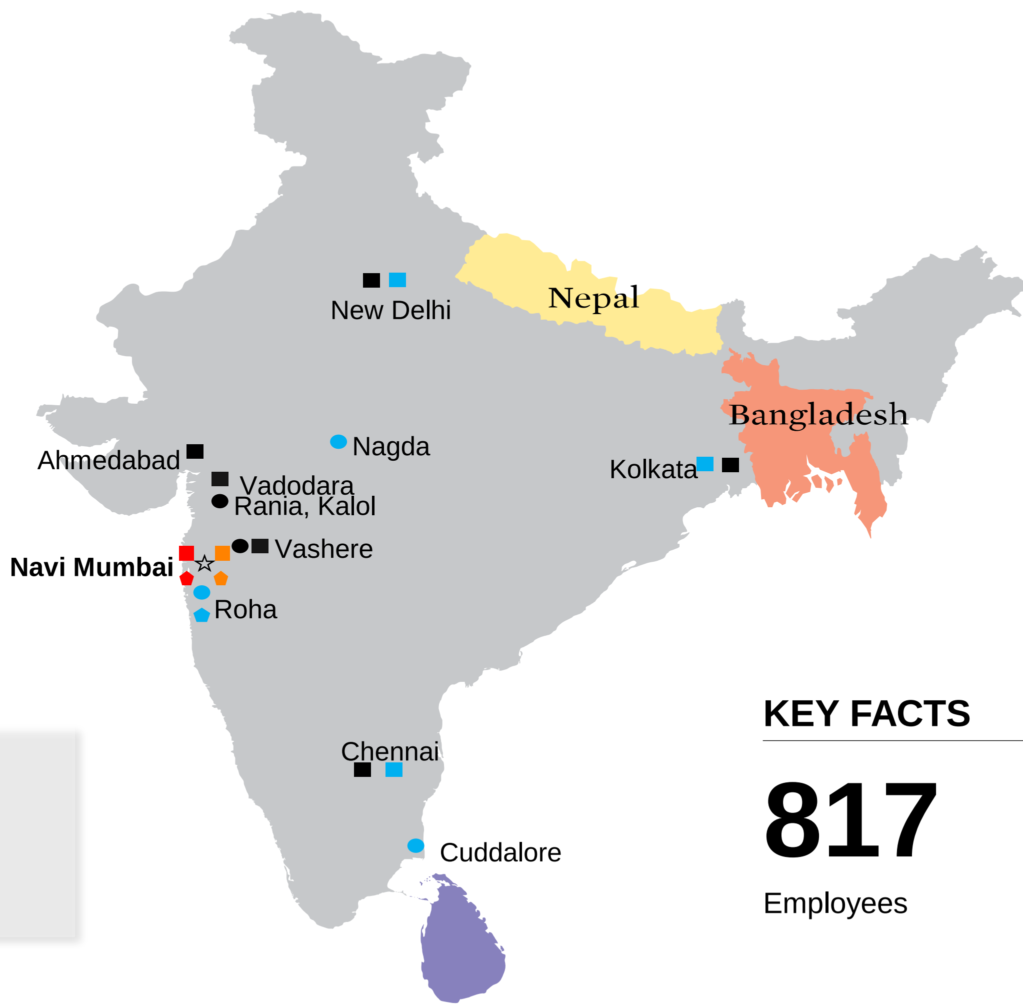
- Currently CCIL, a speciality chemicals manufacturing company operating in India, has three business units:
  A. Pigments
  B. Masterbatches
  C. Additives

4 Financial Performance

- Robust Financial Performance - CCIL has always been a dividend paying company and is currently a debt free company

1 Footprint India Region

CLARIANT



- Pigments
- Master batches
- Additives

- ☆ HQ
- Sales Office
- Production
- R&D/AD

KEY FACTS

817

Employees

7

Major Sites in Operation

2 Market Opportunity in India

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Sr. No.	Industry	Market Size - 2014 (USD Bn)	Expected CAGR (2014-2019)
1	**Petrochemicals**	27	~10%
2	**Agrochemicals**	5.7	~12%
3	**Dyes and Pigments**	4.9	~11%
4	**Paints**	4.8	~11%
5	**Masterbatches**	1.0	~12%
6	**Construction Chemicals**	0.6	~15%
7	**Polymer Additives**	0.4	~10%
8	**Personal Care**	0.3	~15%

Consumer Industries are expected to grow at double digit CAGR

Source: Internal Estimates

③ Repositioned Portfolio

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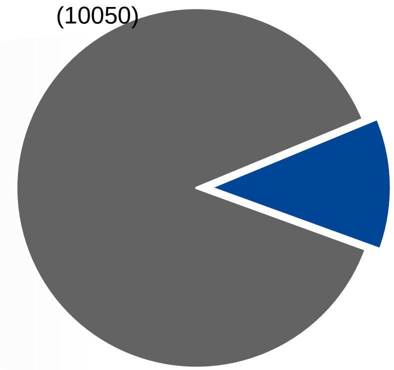
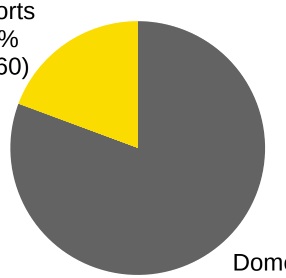
12 months year ended Dec 2012 Total sales of INR 10712 mn	15 months year ended Mar 2016 Total sales of INR 11398 mn

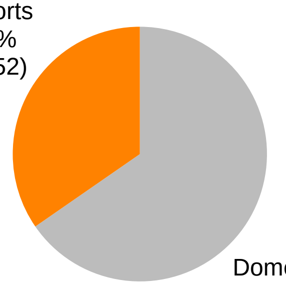
Pigments and Colours segment has grown @ 31% CAGR over the last three years



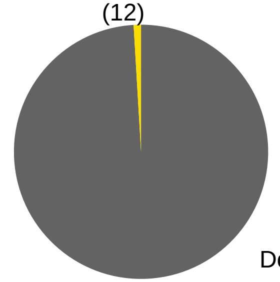
Dyes & Specialities



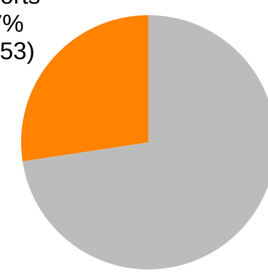
Pigments & Colours



Dyes & Specialities



Pigments & Colours



Note:
All Figure in INR Mn

Post divestment of textile, paper and emulsion (TPE) business and leather service's business, pursuant to global transactions, the pigments and colours business has grown @ 31% CAGR over the last three years

3A Pigments in India

Coatings

Automotive

- Driven by new car sales & car refinish
- Color shade trends strongly influence pigment demand

Industrial

- Pigments for coatings in a broad variety of applications including tools, machines, etc.

Decorative

- Pigments for wall paint & other decorative applications
- Color shade trends also important: in Europe trend to use color for wall paints fostered pigment demand growth

Printing

Publication Inks

- Traditional printing media, e.g. advertising, newspapers, catalogues, magazines, etc.

Packaging Inks

- Broad variety of materials
- Various markets with Clariant focusing on food packaging where significant pigment performance is required (food safety)

Specialty Inks

- Pigments for security printing (e.g. bank notes, brand protection)
- Pigments for deco laminates used e.g. in manufacturing of furniture and flooring

Plastics

Masterbatch

- BU Pigments sells organic color pigments and dyes to Masterbatch producers
- Masterbatch producers disperse the pigment and take over specific service functions for end customers

Processors (PVC)

- Processor market is very fragmented and diversified
- Powder pigments and pigment preparations are used for coloration: PVC film, window profiles and flooring

Compounder

- Compounders can belong to a resin producer, being independent or tolling for a resin producer.
- Resin producers specify colorants

NIP

Non Impact Printing (NIP)

- Pigments, dyes, preparations and charge control agents for toners and inks in inkjet applications

Color Filter

- Pigments used in LCDs of PC monitor, notebooks, TVs and mobile phones

Pigments in India

3A

Special Applications

Personal Care & Home and Fabric Care

- Colorants for Home, Fabric & Personal Care and Cleaning product industries
- Colorful solutions for personal care products like soaps, shower, shampoo, tooth paste
- Brilliant colors for home and fabric care products like cleaners, dish wash liquids and automated dish wash tabs as well as liquid and powder detergents, speckles and fabric softeners

Stationery

- Color solutions for stationery products: writing instruments, creative materials, art, hobby, school colors, crayons, stamping foils, candles
- Colorants meeting global regulatory requirements like EN71-3, EN71-9 and qualifying for an ACMI certificate

Aluminium Finishing

- Color solutions for anodized aluminum in architecture, automotive, consumer electronics, and cosmetic packaging
- Complete range of chemical process additives to increase productivity, efficiency and minimize environmental impact

Viscose

- Pigment preparations for the environmentally friendly dope-dyeing of Viscose
- Suitable for the production of viscose yarn, staple fibers, sponge cloths and sausage skins

Latex

- Pigment preparations for products made of natural and synthetic latex, such as dipped latex goods like balloons, examination gloves, condoms

Leather

- Pigments for leather finishing applications with very high opacity and hiding power

Agro

- Pigments and pigment preparations developed for the coloration of seed coatings
- Globally compliant products including Environmental Protection Agency (EPA) inert exemption
- Colorants for pesticides and fertilizers

Market leader in highly fragmented Indian pigments industry

3B Masterbatches in India

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Packaging

- Consumer Care Packaging
- Food & Beverage
- Household & Cleaning
- Industrial Packaging

Consumer Goods

- Personal Care & Hygiene
- Major Appliances
- Business Machines (3C)
- Electrical Connectors
- Construction
- Toys

Transportation

- Interior & Exterior Trim
- Upholstery
- Under The Hood

Agriculture

- Crop Protection
- Greenhouse Films
- Mulching

Medical & Pharma

- Product Differentiation
- Visualization / Identification
- Regulatory
- Design for Manufacturing

Fibres & Textiles

- Carpet & Rugs
- Upholstery, Sportswear & Apparel
- Automotive Textiles, Non-Woven
- Technical Textiles
- Artificial Turf

Innovative solutions in terms of colour matching & performance to meet customer needs while adhering to regulatory compliance

3C Additives in India

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Polymer Additives

- **Light Stabilizers:** protect polymers against the photo-degradation process, by retaining mechanical and optical properties of end products.
- **Antioxidants and Process Stabilizers:** special range of additives to maintain polymers properties during their conversion (e.g. extrusion, injection molding). Contribute to improve polymerization processes and ensure long-term stability to the finished articles.
- **Antistatic Agents:** help to prevent electrostatic discharge, sparkling-over and dust deposit during end products service life-time. Products provide special surface effects.
- **Process Stabilizers:** Brands: **Hostavin® ● Hostanox® ● Hostastat® ● Nylostab®**

Waxes

- **Natural waxes**
  - Montan waxes
    - Acid waxes
    - Ester waxes
    - Partially saponified waxes
- **Synthetic waxes**
  - Fatty acid amide waxes
  - Oxidized PE Waxes
  - Grafted PO Waxes
  - Polyolefin waxes
    - PE and PP homo- and co-polymers based on metallocene and Ziegler catalysis
- **Micronized waxes of different composition**

Flame Retardants

- Flame retardants (FRs) for thermoplastics and thermoset resins are additives for a variety of polymers.

- Intumescent coatings / intumescent systems: We provide FR additives together with coating recipe know-how to paint producers.

- Phosphorus chemicals are a non-FR business. A large part of the capacity is for captive use.

High end product application, technical expertise and reliable customer service

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Financial Perspective: 6 Months and Full Fiscal Year Sales

CLARIANT

INR Mn

Business Segments	6 Months Sales			Full Fiscal Year Sales		
	Apr – Sep 2016	Apr – Sep 2015[1]	% growth	15 months ended – Mar 2016	12 months ended – Dec. 2014	% growth
Plastics & Coatings (P&C)	4845	4250	14.0	10050	7178	40.0
Specialty Chemicals	334	615	-45.7	1348	2904	-53.6
Total	**5179**	**4865**	**6.5**	**11398**	**10082**	**13.1**

Notes:

- *[1] 6 months sales have been arrived at by aggregating the numbers of quarters ended June 2015 and September 2015.*
- *The H1 figures for current and previous period are Ind AS compliant, whereas the figures for the reported two previous fiscal years are per the previously applicable Indian GAAP.*
- *Pursuant to the sale of the Industrial and Consumer Specialties business in 2015 and the sale of Leather Services business in 2014, the acquisition of the Carbon Black business in 2015 and the change in the accounting year of the company, the figures of the current period are not comparable with those of the previous year.*

Sustainable growth in core continuing business (P&C) driven by better raw material management, targeting new customers and introduction of new products

Recent Financials

CLARIANT

Particulars	6 months Apr – Sep 2016		9 months Jan – Sep 2015	
	INR mn	% of Sales	INR mn	% of Sales
Net Sales	**5179**	**100.0%**	**7290**	**100.0%**
Other operating Income	176	3.4%	228	3.1%
Gross Profit	1722	33.2%	2177	29.9%
EBITDA	**416**	**8.0%**	**336**	**4.6%**
Other income	45	0.9%	**230**	3.1%
PBT before Exceptional Items	**262**	**5.1%**	**255**	**3.5%**
PBT after Exceptional Items	262	5.1%	520	7.1%
Net Profit	**175**	**3.4%**	**413**	**5.7%**

Notes:

- *Exceptional items in 2015 includes the profit realized on the sale of the Industrial and Consumer Specialties business of INR 264.9 mn*
- *Due to the change in the accounting year, the figures of the current period (6 months ended) are not comparable to those of the previous period (9 months ended).*

Gross and EBITDA* Margins Significantly Improved

Gross margin 3.3% above previous year

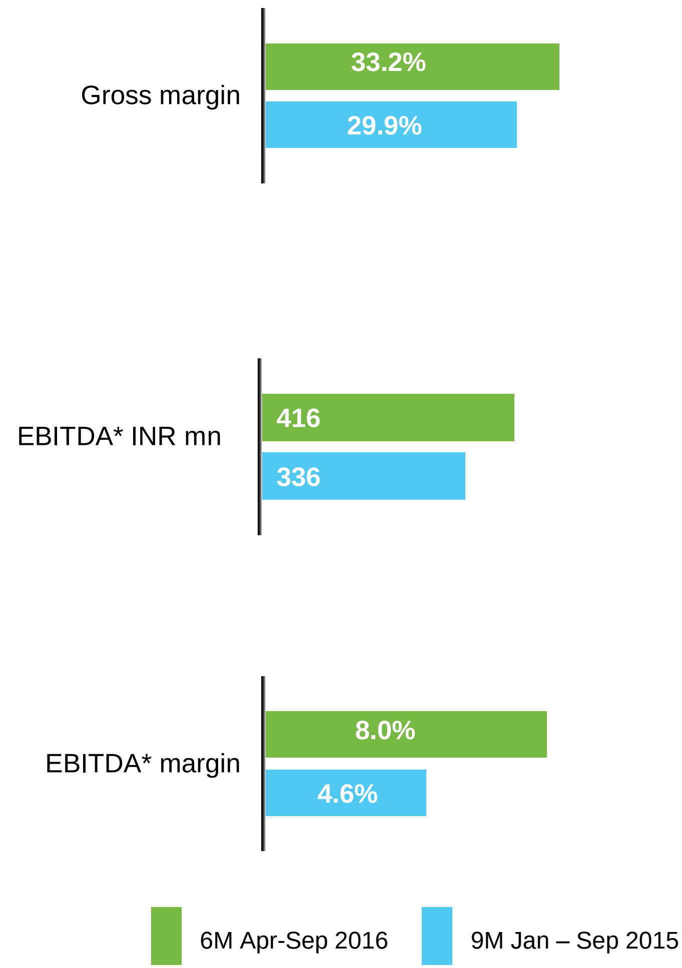
- Improvement due to better mix effect, lower raw material costs and efficiency gains

EBITDA* advanced considerably

- Advance driven by higher sales and raw material cost management

EBITDA* margin significantly improved

- EBITDA* margin rose to 8.0%
- Advance driven by higher sales and raw material cost management



* before exceptional items

Note:

- *Due to the change in the accounting year, the figures of the current period (6 months ended) are not comparable to those of the previous period (9 months ended).*

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Senior Management

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Dr. Deepak Parikh
Vice-Chairman & Managing Director

- Chemical Engineer and a Ph.D in Polymer Science and Engineering

Sambit Roy
Head of Business Unit Pigments – India Region

- Joined Clariant on 1st Jan 2002 and has been the Head of Business Unit Pigments – India Region since Jan 2014
- Chemical Engineer from REC - Jaipur

Sanjay Ghadge
CFO

- Chief Financial Officer since March 2016
- Masters degree in Commerce and is a Lean Six Sigma Master Black Belt

Sandeep Puri
Head of Business Unit Masterbatches – India Region

- Head of Business Unit Masterbatches – India Region since Feb 2013
- Plastics Technologist from Central Institute of Plastics Engineering & Technology

Nalini Nutan
Head HR Services – India Region

- Head – HR Services for India Region since Dec 2014
- B.A in Humanities (English Literature – Major) and holds a PG Diploma in Personnel management and IR

Prashant Kulkarni
Head of Business Unit Additives – India Region

- Head of Business Unit Additives – India Region since July 2013
- B. Tech and PGDBA from JBIMS

Board of Directors

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Kewal Handa
Chairman

- Director since November 5, 2015

Dr. (Mrs.) Indu Shahani
Independent Director

- Independent Director since April 1, 2015
- B.Com graduate and has a Ph. D in Commerce

Dr. Deepak Parikh
Vice-Chairman & Managing Director

- Director since February 1, 2013
- Chemical Engineer and a Ph.D in Polymer Science and Engineering

Sunirmal Talukdar
Independent Director

- Independent Director since November 5, 2015
- Chartered Accountant and B.Sc. From St. Xaviers College, Kolkata

Karl Holger Dierssen
Director

- Non-Executive Director since November 1, 2013
- Masters degree in Economics and business administration and commercial black belt

Alfred Muench
Director

- Non-Executive Director since April 24, 2010
- Attorney at law

Mario Brocchi
Director

- Non-Executive Director since February 12, 2015
- Graduate in political science with minor in Business administration & public relations

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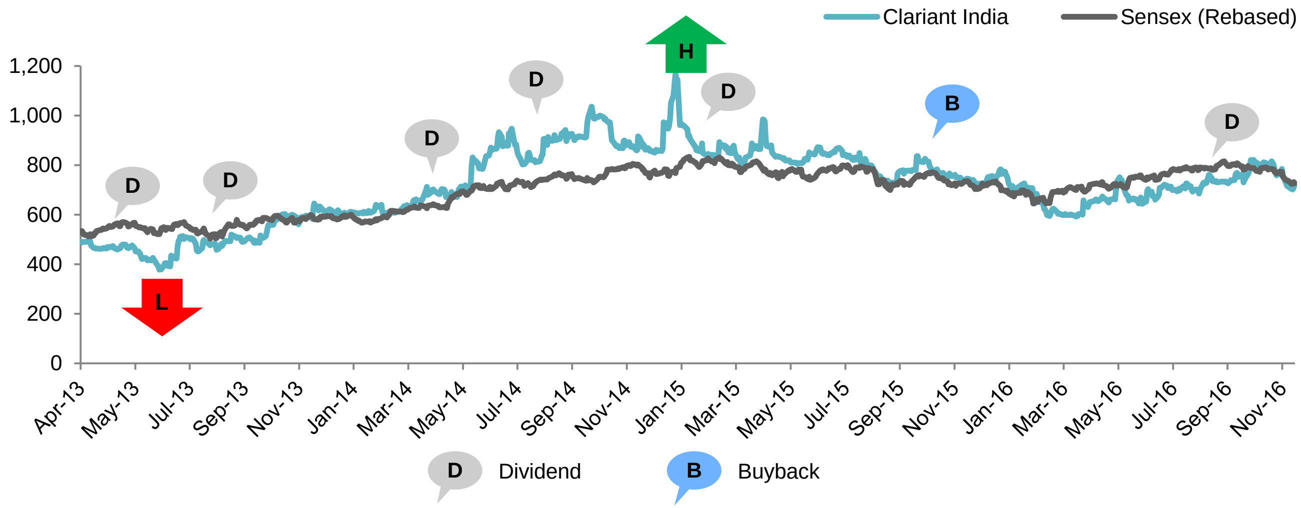
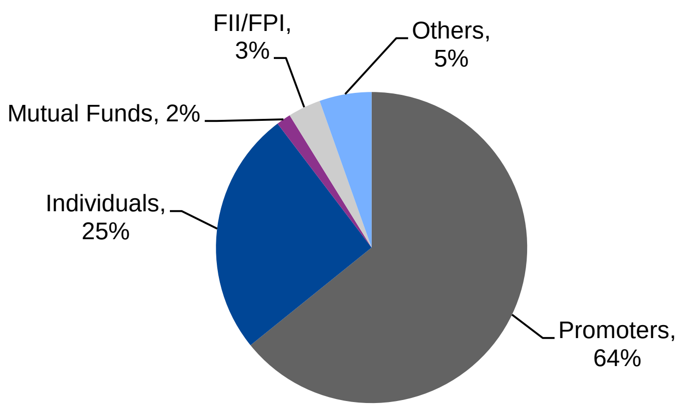
Stock Performance and Shareholding Pattern

3 Year Stock Price Chart



- 6 Dividends totalling INR 219 per share and Buyback of INR 950 per share paid out to shareholders since April 2013
- ~ 20% CAGR return to shareholders over the last 3 years including dividend and buyback

Shareholding Pattern (Sep'16)



- Listed since 1959
- Listed on BSE and NSE
- Over 37,000+ shareholders
- Swiss Finance Corporation holds 2.6% (included in FII)

Source: BSE

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Outlook

CLARIANT

For FY 2017

CCIL is confident to achieve sustainable growth as well as further progression in EBITDA margin before exceptional items

… and beyond

CCIL will continue to achieve sustainable growth over market combined with a further expansion of EBITDA margin before exceptional items, leading to higher cash flow generation and consequently shareholder returns

CCIL will continuously focus on profitably growing its businesses, by the continued implementation of our differentiated steering concept, innovation and cost efficiency

Summary

Key Highlights

1. ***Business portfolio has been transformed over the last four years to capture indigenous India growth story***
2. ***Well diversified manufacturing base in India to supply to domestic and exports markets***
3. ***Well positioned to continuously achieve double digit growth***
4. ***Confident to continue to expand its profitability in the foreseeable future***